



BUDGET COMMITTEE

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Senator Gregg: Long-Term Budget Outlook Remains Grim *Amid Majority's Spending Spree, CBO Report Shows Years of Debt Ahead*

Senator Judd Gregg (R-NH), ranking member of the Senate Budget Committee, today reacted to the Congressional Budget Office's (CBO) Long-Term Budget Outlook, which shows that under current budget plans, U.S. debt will soon reach unsustainable levels and will continue to rise over the next several decades.

"CBO's analysis just confirms what we already know – mounting U.S. debt is on track to bankrupt the nation," said Senator Gregg. "Publicly-held debt has jumped from 40% of GDP at the end of 2008 to more than 60% of GDP this year. The long-term outlook remains grim – under the most realistic assumptions, CBO predicts that debt will reach 87% by 2020 and 185% by 2035.

"The driver of this debt is spending. Our existing debt will be worsened by the President's new health care entitlement programs – despite the tax increases in the health care bill – as well as an explosion in existing health care and retirement entitlement spending as the Baby Boomers retire.

"Large budget deficits year after year will take a tremendous toll on the economy and future generations' ability to maintain a decent standard of living. CBO confirms that growing deficits and debt will reduce national saving, lead to higher interest rates and lower income growth, increase the probability of a sovereign fiscal crisis, and lead to a general inability of the government to respond to future fiscal downturns and true emergencies. Unless Congress and this Administration take aggressive action to curb spending and reduce the debt, our children face a very bleak future indeed."

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CBO's report can be accessed at:

<http://www.cbo.gov/ftpdocs/115xx/doc11579/06-30-LTBO.pdf>